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Summary of Consolidated Financial Results For the Third Quarter Ended March 31, 2025 [Japan GAAP]

May 9, 2025

Name of Company: MEDIUS HOLDINGS Co., Ltd.
 Stock Code: 3154 URL: <https://www.medius.co.jp/>
 Stock Exchange Listing: Tokyo Stock Exchange, Prime Market
 Representative Title: President and Representative Director Name: Yasuhiko Ikeya
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 Date of commencement of dividend payment: -
 Supplementary explanatory documents: None
 Earnings presentation: None

(Yen in millions, rounded down)

1. Financial results for the first nine months ended March 2025 (July 1, 2024 - March 31, 2025)

(1) Results of Operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Mar. 2025	219,511	13.7	2,027	22.6	2,408	22.0	1,370	19.6
Nine months ended Mar. 2024	193,116	6.5	1,653	(30.7)	1,974	(28.9)	1,146	(36.2)

(Note) Comprehensive income: 3Q FY6/25: 1,345 million yen [(14.7)%] 3Q FY6/24: 1,576 million yen [4.4%]

	Earnings per share	Earnings per share fully diluted
	Yen	Yen
Nine months ended Mar. 2025	61.72	61.69
Nine months ended Mar. 2024	52.27	52.08

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	123,518	20,651	16.7
As of June 30, 2024	114,826	19,737	17.2

(Reference) Shareholders' equity: As of Mar. 31, 2025: 20,651 million yen

As of Jun. 30, 2024: 19,737 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY6/24	—	0.00	—	21.00	21.00
FY6/25	—	0.00	—		
FY6/25 (estimated)				19.00	19.00

(Note) Change in the estimation of dividend from the latest announcement: None

3. Forecast for the fiscal year ending June 2025 (Consolidated, July 1, 2024 - June 30, 2025)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	280,000	7.8	1,400	5.5	2,000	14.3	1,280	13.8	57.61

(Note) Change in the forecast from the latest announcement: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies (Tsumug Medical co. and Medius Group Logistics Preparation Company)

Excluded: 0 companies (-)

(Note) For more information, please see “2. Quarterly Consolidated Financial Statements and Important Notes (3) Notes to quarterly consolidated financial statements (Changes in the scope of consolidation or the scope of application of the equity method)” on page 10 of Supplementary Information.

(2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes in accounting principles due to revision of accounting standards: None

(b) Changes in accounting principles other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(4) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)	End of 3Q FY6/25:	22,238,217	End of FY6/24:	22,147,494
(b) Treasury shares	End of 3Q FY6/25:	958	End of FY6/24:	958
(c) Average number of shares outstanding	3Q FY6/25:	22,207,128	3Q FY6/24:	21,924,146

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For more information about the forecasts, please see “1. Qualitative Information on Quarterly Financial Results (3) An explanation of future predictive data, such as consolidated earnings forecasts” on page 4 of Supplementary Information.

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1. Qualitative Information on Quarterly Financial Results

(1) An explanation of operating results

In the environment surrounding the MEDIUS Group during the first nine months of the current fiscal year, the medical fee revision that came into effect in June 2024 has raised medical fees paid to doctors and hospitals but lowered drug prices and material prices. Meanwhile, costs have continued to rise due to high energy prices and the effects of exchange rate fluctuations. Consequently, the outlook remains uncertain. In addition, the medical fee revision has called on medical institutions to raise salaries for medical care professionals, address the “Work Style Reform for Doctors,” and promote medical digital transformation (DX), among other matters. A priority is thus placed on building an effective and efficient medical care delivery system.

In this business environment, the MEDIUS Group is conducting business activities based on the policy of ensuring a stable supply of products while resolving customer issues in order to build a sustainable medical system.

During the first nine months of the current fiscal year, sales of replacement supplies used in surgery rooms, products related to the cardiovascular field, and other products were strong following an increase in the number of surgical operations. In addition, net sales and gross profit increased compared to the first nine months of the previous fiscal year as the financial results of Makoto Medical Systems Inc., which became a subsidiary in March 2024, were recognized in the consolidated financial results of the Company, and Althent Inc. expanded its sales.

Selling, general and administrative expenses increased due to personnel hiring and the incurrence of additional logistics costs in line with business expansion at major subsidiaries. In addition, selling, general and administrative expenses increased compared to the first nine months of the previous fiscal year due to increases in system-related costs including the incurrence of license costs associated with large-scale replacement of personal computers for business use and the incurrence of running costs of the warehouse management system that has been in operation since the fourth quarter of the previous fiscal year, and the addition of the consolidated subsidiaries. However, operating profit, ordinary profit, and profit attributable to owners of parent increased in association with the effect of net sales increase.

As a result, in the first nine months of the current fiscal year, net sales increased 13.7% from a year earlier to 219,511 million yen, operating profit increased 22.6% to 2,027 million yen, ordinary profit increased 22.0% to 2,408 million yen, and profit attributable to owners of parent increased 19.6% to 1,370 million yen.

Business segment performance was as follows.

(i) Medical Device

Sales of replacement supplies increased in line with an increase in the number of surgical operations and progress in the acquisition of new customers, mainly in the orthopedic and cardiovascular fields, and sales of medical equipment also increased thanks to sales of large-sized equipment such as robots to support surgical operations, in addition to sales of medical equipment at Makoto Medical Systems Inc., which became a subsidiary in March 2024. Accordingly, net sales, gross profit, and segment income increased compared to the first nine months of the previous fiscal year.

As a result, net sales increased 13.9% from a year earlier to 214,929 million yen, gross profit increased 12.6% to 24,391 million yen, and segment income (operating profit) increased 10.1% to 8,260 million yen.

(ii) Welfare Device

Net sales, gross profit, and segment income increased compared to the first nine months of the previous fiscal year due to strong sales of medical equipment and stoma products.

As a result, net sales increased 5.0% from a year earlier to 4,582 million yen, gross profit increased 5.1% to 1,765 million yen, and segment income (operating profit) increased 22.0% to 409 million yen.

(Note) The business segments of the MEDIUS Group consist of the following activities.

Medical Device

(Medical Device Sales Business)

Sale of medical devices (including equipment and replacement supplies) that are purchased from manufacturers, sales agents, trading companies and other companies in Japan to hospitals and other medical institutions in Japan. This is the core business of the MEDIUS Group.

(Medical Device Repair and Maintenance Business)

Repair and after-sales services for medical devices sold by the MEDIUS Group to hospitals and other medical institutions and maintenance services for all medical devices of a hospital or other medical institution based on a maintenance contract.

Welfare Device

Sale of nursing care and welfare products (including equipment and replacement supplies) that are purchased from manufacturers, sales agents, trading companies and other companies in Japan and other countries to hospitals and other medical institutions, nursing care facilities, medical device sales companies, as well as individuals in Japan. This business also rents nursing care and welfare products to individuals.

(2) An explanation of financial position

A. Assets

Total assets were 123,518 million yen at the end of the first nine months of the current fiscal year, 8,691 million yen more than at the end of the previous fiscal year.

Current assets increased 7,756 million yen to 99,008 million yen. This increase was mainly the result of increases of 2,487 million yen in cash and deposits, 7,750 million yen in notes and accounts receivable – trade, and 959 million yen in merchandise and finished goods, respectively, despite a decrease of 3,264 million yen in accounts receivable - other.

Non-current assets increased 935 million yen to 24,509 million yen. This increase was mainly the result of increases of 1,068 million yen in property, plant and equipment and 58 million yen in investments and other assets, respectively, despite a decrease of 192 million yen in intangible assets.

B. Liabilities

Total liabilities were 102,866 million yen at the end of the first nine months of the current fiscal year, 7,777 million yen more than at the end of the previous fiscal year.

Current liabilities increased 7,191 million yen to 91,518 million yen. This increase was mainly the result of increases of 7,281 million yen in notes and accounts payable - trade and 836 million yen in provision for bonuses, respectively, despite a decrease of 329 million yen in short-term borrowings.

Non-current liabilities increased 585 million yen to 11,348 million yen. This increase was mainly the result of increases of 421 million yen in long-term borrowings, 119 million yen in retirement benefit liability, and 167 million yen in other non-current liabilities, respectively, despite a decrease of 133 million yen in long-term unearned revenue.

C. Net assets

Net assets were 20,651 million yen at the end of the first nine months of the current fiscal year, 914 million yen more than at the end of the previous fiscal year. This increase was mainly the result of increases of 36 million yen in share capital, 36 million yen in capital surplus, and 866 million yen in retained earnings, respectively, despite a decrease of 26 million yen in valuation difference on available-for-sale securities.

(3) An explanation of future predictive data, such as consolidated earnings forecasts

There is no change to the consolidated earnings forecast for the fiscal year ending June 30, 2025, which was announced on August 8, 2024.

2. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly consolidated balance sheet

(Thousand yen)

	Fiscal year ended June 2024 (As of June 30, 2024)	Third quarter ended Mar. 2025 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	13,641,810	16,129,325
Notes and accounts receivable - trade	58,045,152	65,795,512
Merchandise and finished goods	12,741,893	13,701,848
Raw materials and supplies	13,611	10,191
Accounts receivable - other	6,420,564	3,156,460
Other	515,514	351,692
Allowance for doubtful accounts	(125,838)	(136,096)
Total current assets	91,252,708	99,008,935
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,312,354	6,647,050
Machinery, equipment and vehicles, net	703,166	613,965
Land	3,879,859	3,942,138
Other, net	1,182,323	1,942,921
Total property, plant and equipment	12,077,703	13,146,075
Intangible assets		
Goodwill	1,500,001	1,275,040
Other	1,290,283	1,323,210
Total intangible assets	2,790,284	2,598,251
Investments and other assets		
Other	8,730,647	8,796,577
Allowance for doubtful accounts	(24,550)	(31,568)
Total investments and other assets	8,706,096	8,765,008
Total non-current assets	23,574,085	24,509,335
Total assets	114,826,794	123,518,270

(Thousand yen)

	Fiscal year ended June 2024 (As of June 30, 2024)	Third quarter ended Mar. 2025 (As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	60,207,850	67,488,874
Short-term borrowings	19,962,664	19,633,509
Current portion of bonds payable	7,000	7,000
Income taxes payable	545,604	843,591
Provision for bonuses	59,794	896,016
Provision for bonuses for directors (and other officers)	117,617	99,632
Provision for share-based payments	86,995	-
Other	3,339,105	2,549,642
Total current liabilities	84,326,632	91,518,265
Non-current liabilities		
Bonds payable	8,000	4,500
Long-term borrowings	4,196,120	4,617,209
Provision for retirement benefits for directors (and other officers)	159,000	157,000
Provision for share-based payments	-	22,732
Provision for loss on guarantees	113,596	107,257
Retirement benefit liability	1,422,014	1,541,065
Asset retirement obligations	161,320	162,234
Long-term unearned revenue	3,292,241	3,158,583
Other	1,410,442	1,577,990
Total non-current liabilities	10,762,736	11,348,573
Total liabilities	95,089,368	102,866,838
Net assets		
Shareholders' equity		
Share capital	1,344,769	1,380,877
Capital surplus	2,843,805	2,879,912
Retained earnings	13,334,463	14,201,372
Treasury shares	(450)	(450)
Total shareholders' equity	17,522,588	18,461,712
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,136,083	2,109,101
Remeasurements of defined benefit plans	78,753	80,618
Total accumulated other comprehensive income	2,214,837	2,189,719
Total net assets	19,737,425	20,651,432
Total liabilities and net assets	114,826,794	123,518,270

(2) Quarterly consolidated statements of income and comprehensive income
(Quarterly consolidated statement of income)
(For the nine months)

(Thousand yen)

	Nine months ended Mar. 2024 (Jul. 1, 2023 — Mar. 31, 2024)	Nine months ended Mar. 2025 (Jul. 1, 2024 — Mar. 31, 2025)
Net sales	193,116,701	219,511,425
Cost of sales	169,773,135	193,370,696
Gross profit	23,343,566	26,140,729
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(11,832)	9,997
Provision for share-based payments	(7,124)	13,040
Salaries and allowances	8,878,172	9,850,792
Employees' bonuses	1,356,042	1,459,660
Provision for bonuses	786,996	893,160
Provision for bonuses for directors (and other officers)	64,655	99,692
Retirement benefit expenses	421,598	457,354
Legal welfare expenses	1,722,475	1,918,266
Depreciation	784,714	830,116
Rent expenses	1,694,663	1,809,369
Outsourcing expenses	1,806,250	1,911,242
Other	4,193,922	4,860,880
Total selling, general and administrative expenses	21,690,536	24,113,574
Operating profit	1,653,029	2,027,154
Non-operating income		
Interest income	723	3,309
Dividend income	19,145	21,230
Purchase discounts	245,434	250,525
Reversal of provision for loss on guarantees	-	6,338
Subsidy income	-	141,648
Other	157,730	104,121
Total non-operating income	423,033	527,173
Non-operating expenses		
Interest expenses	70,467	125,354
Share of loss of entities accounted for using equity method	9,759	-
Provision for loss on guarantees	7,623	-
Other	14,073	20,131
Total non-operating expenses	101,923	145,485
Ordinary profit	1,974,138	2,408,842
Extraordinary income		
Gain on sale of non-current assets	3,529	18,678
Total extraordinary income	3,529	18,678
Extraordinary losses		
Loss on sale of non-current assets	463	131
Loss on retirement of non-current assets	2,658	2,610
Impairment losses	5,610	-
Total extraordinary losses	8,732	2,741

(Thousand yen)

	Nine months ended Mar. 2024 (Jul. 1, 2023 — Mar. 31, 2024)	Nine months ended Mar. 2025 (Jul. 1, 2024 — Mar. 31, 2025)
Profit before income taxes	1,968,935	2,424,779
Income taxes - current	1,072,625	1,172,600
Income taxes - deferred	(249,717)	(118,575)
Total income taxes	822,907	1,054,025
Profit	1,146,027	1,370,753
Profit attributable to owners of parent	1,146,027	1,370,753

(Quarterly consolidated statement of comprehensive income)
(For the nine months)

(Thousand yen)

	Nine months ended Mar. 2024 (Jul. 1, 2023 — Mar. 31, 2024)	Nine months ended Mar. 2025 (Jul. 1, 2024 — Mar. 31, 2025)
Profit	1,146,027	1,370,753
Other comprehensive income		
Valuation difference on available-for-sale securities	423,056	(26,982)
Remeasurements of defined benefit plans, net of tax	7,725	1,864
Total other comprehensive income	430,782	(25,117)
Comprehensive income	1,576,809	1,345,636
Comprehensive income attributable to owners of parent	1,576,809	1,345,636

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumptions)

None

(Notes on significant change in shareholders' equity)

None

(Changes in the scope of consolidation or the scope of application of the equity method)

(Significant changes in the scope of consolidation and the scope of application of the equity method)

Effective the first quarter of the current fiscal year, Tsumug Medical co., which was a non-consolidated subsidiary that was accounted for using the equity method until the previous fiscal year, has been included in the scope of consolidation due to an increase in its significance.

Effective the third quarter of the current fiscal year, Medius Group Logistics Preparation Company which was established by the Company on March 3, 2025, has been included in the scope of consolidation.

(Changes in matters related to the fiscal year of a consolidated subsidiary)

Previously, the fiscal year end of Makoto Medical Systems Inc. (hereinafter referred to as "Makoto Medical Systems"), a consolidated subsidiary, was April 30. To prepare consolidated financial statements of the Company, financial statements of Makoto Medical Systems as of April 30 were used, and necessary adjustments were made for significant transactions that occurred between April 30 and June 30, the Company's fiscal year end. However, Makoto Medical Systems changed its fiscal year end to June 30. Accordingly, for the first nine months ended March 31, 2025, the financial results of Makoto Medical Systems for the nine months from July 1, 2024 to March 31, 2025 have been consolidated. Retained earnings have been adjusted for its profits and losses for the two months from May 1, 2024 to June 30, 2024.

(Notes on segment information, etc.)

[Segment information]

I First nine months of the previous fiscal year (July 1, 2023 — March 31, 2024)

1. Information about sales and income (loss) by reporting segment

(Thousand yen)

	Reporting segments			Adjustment (Note 1)	Amount on the consolidated statement of income (Note 2)
	Medical Device	Welfare Device	Total		
Net sales					
Sales to outside customers	188,751,175	4,365,525	193,116,701	—	193,116,701
Intersegment sales or transfers	2,018	—	2,018	(2,018)	—
Total	188,753,194	4,365,525	193,118,720	(2,018)	193,116,701
Segment income	7,500,505	335,614	7,836,119	(6,183,090)	1,653,029

(Notes) 1. The 6,183,090 thousand yen negative adjustment for segment income includes 28,946 thousand yen for intersegment transaction eliminations, 211,367 thousand yen deduction for amortization of goodwill and 6,000,668 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily operating expenses of parent company and general and administrative expenses that do not belong to specific segments.

2. The segment income matches operating profit in the consolidated statement of income.

2. Information about impairment loss of non-current assets or goodwill by reporting segment

(Important impairment loss of non-current assets)

We are booking impairment loss on non-current assets in the Medical Device segment. The amount for the first nine months of the current fiscal year is 5,610 thousand yen.

(Significant change in the amount of goodwill)

In corporate assets that cannot be assigned to specific segments, goodwill increased in the first nine months of the current fiscal year due to the Company's acquisition of shares of Makoto Medical Systems Inc., and new goodwill arising from the determination of payment of contingent consideration associated with the acquisition of a business related to purchase and sale of medical equipment and other products from Tanaka Medical Instruments Co., Ltd. by Ortho Edge Japan Co., Ltd., a subsidiary of a subsidiary of the Company.

The increase in goodwill as a result of these events in the nine months ended March 31, 2024 is 886,122 thousand yen.

II First nine months of the current fiscal year (July 1, 2024 — March 31, 2025)

1. Information about sales and income (loss) by reporting segment

(Thousand yen)

	Reporting segments			Adjustment (Note 1)	Amount on the consolidated statement of income (Note 2)
	Medical Device	Welfare Device	Total		
Net sales					
Sales to outside customers	214,929,195	4,582,230	219,511,425	—	219,511,425
Intersegment sales or transfers	15,435	—	15,435	(15,435)	—
Total	214,944,630	4,582,230	219,526,860	(15,435)	219,511,425
Segment income	8,260,235	409,290	8,669,526	(6,642,371)	2,027,154

(Notes) 1. The 6,642,371 thousand yen negative adjustment for segment income includes 28,805 thousand yen for intersegment transaction eliminations, 252,034 thousand yen deduction for amortization of goodwill and 6,419,142 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily operating expenses of parent company and general and administrative expenses that do not belong to specific segments.

2. The segment income matches operating profit in the consolidated statement of income.

(Notes on consolidated statement of cash flows)

Consolidated statement of cash flows for the first nine months of the current fiscal year have not been prepared. Amounts of depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first nine months of the current fiscal year are as follows:

	Nine months ended Mar. 2024 (Jul. 1, 2023 — Mar. 31, 2024)	Nine months ended Mar. 2025 (Jul. 1, 2024 — Mar. 31, 2025)
Depreciation	1,101,121 thousand yen	1,345,200 thousand yen
Amortization of goodwill	211,367 thousand yen	252,034 thousand yen